

FIRST SELECTMAN'S OFFICE

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BUREAU OF WATER PROTECTION AND LAND REUSE
OFFICE OF THE BUREAU CHIEF

JAN 2 2 2010

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EXHIBIT

January 19, 2009

Richard C. Straiten, Selectman

Paul R. Szatkowski, Selectman

Martin J. Lawler, Town Counsel

Matthew S. Knickerbocker, First Selectman

Mr. Paul Stacey, Hearing Officer Department of Environmental Protection 79 Elm Street Hartford, CT 06106

Dear Mr. Stacey:

Thank you for the opportunity to respond regarding the proposed Streamflow Standards & Regulations. While the intention of the regulations is admirable, in that the regulations are intended to protect the state's aquatic life; the regulations are fraught with problems for local municipalities and water companies, particularly since they will also impose strict limits on groundwater withdrawals. Unfortunately, the regulations fail to provide the balance needed to protect the state's public health, safety, economic development and agricultural needs. Although less than 1% of the streams in Connecticut have documented flow impairment issues, the regulations will impact every river and stream in Connecticut, at a staggering cost.

Additionally, the impact on local municipalities is quite troublesome for the following reasons:

The stream flow regulations will require municipal water departments and other water companies to release water from their reservoirs into streams during various periods of the year. The regulations will also impose strict limits on groundwater withdrawals.

■ Stream flow concerns:

- New regulations could potentially create water supply shortages in certain areas, undermining public health, fire safety and economic development;
- Result in moratoriums on new water service connections which will slow or halt economic development projects and construction in many communities;
- Require costly changes to dams and infrastructure in order to make the required releases, fueling significant increases in water rates and municipal fire protection costs.
- Impose yet another unfunded mandate on towns and cities that are struggling during these difficult economic times.

■ Jeopardize Public Health & Safety in our Communities:

By requiring public water suppliers to release significant quantities of water during certain periods of the year, the proposed regulations will jeopardize the ability of public water suppliers to meet the public health and safety needs, i.e. sanitation and fire suppression, of our communities.

■ Undermine Connecticut's Economic Recovery and Job Growth:

A safe, reliable water supply is critical to the day-to-day operations of existing businesses and to the viability of new commercial enterprises and residential developments. Unfortunately, in some communities, the draft streamflow regulations may result in a moratorium on water service connections, halting or slowing economic development and construction.

■ Impose Costly Burdens on Towns and Cities:

Compliance with the draft regulations will impose significant costs on municipal water departments. Although the brunt of these costs must be reflected in water rates, some costs will be passed on to towns and cities and their taxpayers. In addition, communities facing a moratorium on new home construction and business growth will not be able to generate sufficient tax revenues to address expected cuts in state aid and lower property tax revenues.

■ Significantly Increase Customer Rates:

In order to comply with the regulations, water utilities and other large diverters will have to modify their dams and infrastructure to modulate the volume of water flow and release the range of flows required by the regulations. In addition, many utilities may be forced to develop new sources of supply and incur significant increases in operational costs. The magnitude of these costs is likely to be several hundred million dollars.

■ Require Municipalities to Assist in Enforcing Frequent and Lengthy Water Use Restrictions on Customers:

Customers will be faced with more frequent and longer periods of water use restrictions under the draft regulations. Utilities will have to rely upon towns to enforce these water use restrictions, which can be burdensome. In addition, restrictions may disrupt certain activities and impose burdens on businesses that depend heavily upon water, such as manufacturers and hospitals.

■ Divert Resources Away from Needed Infrastructure Improvements

Water utilities are replacing aging infrastructure in order to provide reliable, safe water supplies to businesses and consumers but financing infrastructure replacement has been a significant challenge for utilities. Unfortunately, streamflow regulations will force utilities to divert scarce resources away from needed infrastructure replacement to regulatory compliance.

In summary, it is our belief that adoption of the regulations is premature and the concerns posed by municipalities and water companies should be carefully reviewed and incorporated into the regulations prior to adoption.

Very truly yours,

Matthew S. Knickerbocker, First Selectman

Town of Bethel

Cc: Public Utilities Commission

Town Engineer Andrew Morosky Utility Supervisor Kelly Curtis